FBIS DAILY REPORT

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EGYPTIAN SURGEON ON CASTRO'S RECENT OPERATION

JN101807 Abu Dhabi AL-ITTIHAD in Arabic 9 Aug 87 p 18

[Excerpts] Cairo -- The surgical operation that Dr Ahmad Shafiq, a famous Arab scientist, performed on Cuban President Fidel Castro is not the only operation he has performed on well-known figures. Dr Shafiq has performed scores of operations on famous politicians, military leaders, and major movie stars. [passage omitted on Dr Shafiq's medical accomplishments] Last March Dr Shafiq was invited by the (Rickling Houzing) hospital, which belongs to the large university of the same name. This hospital is famous for operations on the digestive system, the colon, and the anus. Although the German people take pride in their own scientific and technological progress, they allowed Dr Ahmad Shafiq to perform operations on German patients. [passage omitted] In lectures he delivered in the FRG, Dr Shafiq explained to the Germans how to treat flaccidity of the levator ana, a method Dr Shafiq discovered in 1980. This illness spreads among men and women between 30 and 50 years of age. [passage omitted]

When asked about the operation he had performed on President Castro, Dr Shafiq said the operation was for flaccidity of the levator ana. He added: This is an illness I diagnosed for the first time in 1980, and it was published in international journals. He added: When performed at an early stage of the illness, this operation leads to a complete recovery. Before I diagnosed this illness, no one knew about it. He added: Since I have described this illness in international journals, some skilled surgeons can now perform this operation, but only after long practice. We thank God because the operation on Cuban President Castro was successful. [passage omitted on Dr Shafiq's future plans and research in the medical field]

U.S. 'TO CONTINUE' PANAMA DESTABILIZATION ACTIONS

PA100134 Havana International Service in Spanish 2300 GMT 8 Aug 87

["Our American" commentary read by Norberto Hernandez]

[Text] The recent statements made by U.S. Secretary of State George Shultz to the effect that his country will not renew economic assistance to Panama -- $26 million for this year -- demonstrate official U.S. plans to continue with its destabilization actions against Panama. The statements were made after Panama paid the United States $116,000 for the damage done to the U.S. Consulate during a demonstration to protest Washington's complicity with the actions of the local rightists who seek to destroy the current administration.

The compensation was demanded by the White House as a condition prior to resuming assistance. It is not a coincidence that the the U.S. decision -- which actually violates a public commitment -- is announced at the same time that the so-called National Civilianization Crusade announces it will not negotiate with the Panamanian authorities and is preparing to organize a new strike to begin next [as heard] Monday. The decision adopted by the Panamanian rightist businessmen and groups was announced during a meeting held a few hours ago [on 6 August] in front of a local church that was attended by businessmen and wealthy families.

Undoubtedly, these individuals are playing into the hands of the U.S. plans of exerting pressure and ousting the current authorities with the purpose of not fulfilling the terms of the Torrijos-Carter Treaties which specify that the interoceanic waterway must be turned over to Panama by the beginning of the next century. The Ronald Reagan administration is very much concerned, because the treaties promote a loss of U.S. control over a maritime route vital for its hegemonic and alleged national security plans, as well as the loss of important military bases destined to frighten Latin America.

The Panamanian Government has decided it will make sure the provisions of the treaties are fulfilled, and the people support this stand. Washington is trying to fight this stand by mobilizing the rightist sectors in actions similar to those which came prior to the ousting of the Chilean Popular Unity administration in September 1973. Evidence that these destabilization actions by the so-called Natioal Civilianization Crusade are not spontaneous was disclosed by Panamanian District Attorney Mario Ballesteros, who announced the existence of documents containing very specific plans that sought to dismantle the government organization. The rightist documents disclosed there was a 10-point plan for the formation of a provisional government junta and the elimination of the Supreme Court of Justice, the Legislative Assembly, and the Electoral Tribunal. All this shows the scope of the plans prepared in complicity with U.S. Ambassador of Panama Arthur Davis.

The decision to hold the business strikes and the suspension of U.S. economic assistance undoubtedly seek to create a more tense and difficult atmosphere that will facilitate Washington's plans against a people who have proven they are anti-imperialists.

ARTICLE DISCUSSES U.S. SOUTHERN COMMAND IN PANAMA

PA080030 Havana International Service in Spanish 2300 GMT 3 Aug 87

[From "What the Press Has to Say" feature read by Saida Gutierrez and Norberto Hernandez]

[Text] "Panama, the U.S. Army of the South," is the title given by Argentine newsman Gregorio Selser to an article for PRENSA LATINA, which we read today.

In the first half of November 1986, the rightist Panamanian newspaper LA PRENSA published some interesting news. The Pentagon had ordered a reorganization of U.S. Southern Command Headquarters on Ancon Hill, which overlooks Panama City.

Gregorio Selser adds that the installations and tunnels of the Southern Command Headquarters are part of the former Canal Zone that must revert to Panama no later than 31 December 1999, according to the Torrijos-Carter Treaties dated 7 September 1977.

The same area is still occupied by an undetermined number of land, sea, and air bases, the number of which fluctuates between 6 and 14, depending on how they are described or classified.

So far, only the so-called School of the Americas has reverted to Panama. It operated in Ft Gulick, close to Colon. After this reversion, which the Pentagon tried to prevent up to the last moment, and in which some 46,000 soldiers from all of Latin America and the Caribbean were trained between 1951 and 1 October 1984, the school was transferred to Ft Benning in the United States.

In his article for PRENSA LATINA, Gregorio Selser says that nothing has changed concerning the Southern Command. The existence of this enclave violates the letter and spirit of the Torrijos-Carter Treaties because it does not participate in the military security or the neutrality of the canal itself, but is simply a military base for the control and supervision of hispanic America, simply known as the south, although the region includes the six Central American countries in its description. Its role extends to the Antarctic.

The new status of the Southern command became effective on 4 December 1986 and apparently, the reorganization was confined to an administrative reorganization of the 193d Brigade, Army infantry of the U.S. Army. Up to then the brigade had one foot in the former Canal Zone and the other in the United States, from where it was commanded.

The change involved the transfer to Panama of the rest of the Brigade, including all of its elements and armament.

The change means there is direct communication between the Pentagon and the military command in the canal, and that the brigade under which the rest of the corps established in the canal area is grouped, will be called U.S. Army South, apparently an incorrect translation of U.S. Southern Army, under the orders of the Southern Command. The 193d Brigade was part of the military group that invaded and occupied Grenada in late October, 1983. On the other hand, the Southern Command is one of eight strategic detachments spread throughout the world. It is estimated that the official number of soldiers in the canal area is 10,000 plus an equal number of civilian technicians and experts who perform other tasks connected with the command.

Even so, it is estimated that several thousand officers and noncommissioned officers are in circulation not only in the canal area, but in hotels and houses rented in Panama City. Their function is described as undefined.

Further on Southern Command

PA100324 Havana International Service in Spanish 2300 GMT 4 Aug 87

["Part Two" of "What the Press Has to Say" feature on U.S. Southern Command, read by Odelma de Cordoba and Norberto Hernandez]

[Text] Dear listeners, just as we promised, today we will continue with the article that Argentine journalist Gregorio Selser wrote for PRENSA LATINA, which he titled "Panama, the U.S. Army in the South."

Speaking about the thousands of U.S officers and noncommissioned officers permanently stationed at the Canal Zone [as heard] in Panama, Selser points out that the presence of such a large number of officers in the area, which has occurred intermittently since 1985, among other things has resulted in apartment and residence higher rents in Panama City to the detriment of Panamanians.

In hotels such as the Granada in the Cangrejo residential neighborhood, the presence of military-looking men with crewcuts and wearing civilian clothes has become familiar. These men have also been seen wearing fatigues, flagrantly violating regulations dealing with this matter, which always touches a sore spot in the country.

On the eve of the implementation of the Southern Command's reorganization, a military source, who asked to remain anonymous, denied the changes were either related to a plan to invade Nicaragua or had any special significance other than regarding internal technical aspects. The source admitted these changes would make it possible to strengthen the Southern Command and achieve a more efficient chain of command.

Selser added this same military source, who asked to remain anonymous, added that the reorganization will not require an increase of the number of men in Panama, other than those members of 193d Brigade who formerly lived in the United States. The source, however, did not give any figures to illustrate the point. This fact makes even more ambiguous what usually was deliberate misinformation. [sentence as heard]

Commenting on the U.S. military man's report, legislator Luis Gomez of the ruling Democratic Revolutionary Party alluded to the scattered rumors of plans for intervention in Nicaragua and El Salvador. He added that the use of the installations attached to the canal for this intervention would both violate the neutrality pact included in the Torrijos-Carter Treaties and jeopardize the country's peace and tranquility.

This neutrality pact, proposed by Panama and accepted by the United States in 1987, is open to all nations of the world at the OAS office in Washington. About 40 countries, whose fleets use the canal, have signed this pact so far.

Compared to commands, such as the Atlantic [words indistinct] in Honolulu, Hawaii, the Southern Command in Panama has perhaps the least number of men. This Command, however, is not lacking in any of the most sophisticated defense systems. Its communications, control, reception, and transmission systems have been reported to be the most advanced in the world.

Here is another piece of information worth considering. General Frederick Woerner, the brand-new Southern Command chief, who replaced General John Galvin, headed the 193d Brigade when this unit participated in the attack on Grenada.

U.S. 'COVERT WAR' AGAINST NICARAGUA VIEWED

PA061501 Havana International Service in Spanish 2300 GMT 3 Aug 87

["Our America" commentary read by Norberto Hernandez]

[Text] The clandestine actions promoted by the United States against Nicaragua practically since the triumph of the Sandinist revolution are classified under the term covert war. However, the political scandals and revelations by the press and various U.S. Government officials make one think about the validity of calling actions that are shamelessly open and interventionistic covert.

A week ago, THE MIAMI HERALD revealed that U.S. soldiers in a special unit charged with transporting counterrevolutionaries to Nicaragua in helicopters used arms against the EPS twice in 1984. After stating that the information was obtained from participants in and organizers of those operations, the newspaper added that the operations were directly dependent on the authority of the National Security Council and that their chief was the extremely well-known Lieutenant Colonel Oliver North.

In citing the revelations by THE MIAMI HERALD, EPS intelligence chief Major Ricardo Wheelock said that U.S. military forces participated in 1983 in the act of sabotage against the fuel depots at the port of Corinto. He recalled that from 1984 to 1986, those same units spied upon the Montelimar military base, 60 km from Managua, and he pointed out that U.S. Army green berets led the takeover of the community of San Juan del Norte staged by forces headed by the chieftain Eden Pastora.

At this point, it is good to recall that in September 1986, EPS antiaircraft units downed a U.S. plane attempting to support the mercenary forces. On that occasion, two Americans were killed, while another was captured and tried by the Nicaraguan authorities. In his testimony before the revolutionary courts, the captured American, Eugene Hasenfus, said that the operations to supply the counterrevolutionaries in which he took part were directed by the U.S. Central Intelligence Agency.

Four U.S. soldiers have been killed so far in Nicaragua. However, the record of the aggressions shows that while it is true that espionage missions have been carried out and continue to be carried out against Nicaragua, the open system of attacks against the country and the open support system of attacks against this country and the open support and financing that the U.S. Government gives the mercenary groups indicate that the covert war stopped being covert a long time ago.

PARAGUAYAN COLORADO PARTY CONVENTION VIEWED

PA091310 Havana International Service in Spanish 2300 GMT 4 Aug 87

["Our America" commentary read by Norberto Hernandez]

[Text] The acute differences among the Colorado Party sectors disputing which of them will be at the side of Dictator Alfredo Stroessner during the next government period apparently have been resolved in favor of Interior Minister Sabino Montanaro, head of the so-called Militant group.

However, the party convention held this past weekend turned into another expression of internal differences in the search for a successor to the septuagenarian head of the regime, because although Montanaro secured the presidency of the political organization, this has been openly protested by his opponent, Juan Ramon Chavez, leader of the Tradionalists.

The truth is that the conflict is only a matter of ambition for power because so far, neither group has ever questioned Stroessner's authority, and they have even made him their absolute candidate for the new elections farce now being prepared.

Nevertheless, the outcome of the Colorado Party convention -- the questioned presence of Sabino Montanaro at the head of the party -- represents a schism in the governing party despite the fact that a few days ago the dictator himself strongly demanded an internal reconciliation and even ordered the Army to stay in their quarters as a precaution against any situation that could result from the political crisis.

Everything indicates that Montanaro used the police to make it difficult for many supporters of Chavez to attend the Colorado Party convention. According to reports, there were policemen around the convention building. This led to the withdrawal of Juan Ramon Chavez from the session and facilitated the victory of the interior minister, who will head the party until 1990.

His opponent delivered a brief speech in front of his residence and said he will challenge the results of the convention and that as current president of the Colorado Party, he will declare it null. Meanwhile, Montanaro attacked the Traditionalists and warned that he will carry out a purge within the governing party.

Paraguayan Justice and Labor Minister Eugenio Jaquet, who is linked to the Militants, has also talked about carrying out a purge in the Colorado Party and in one ultra-rightist flurry did not hesitate to call his opponents communist-lovers.

The implications of this sordid clash will not represent big changes for Paraguay. Montanaro has said that he favors the authoritarianism that has characterized the dictatorship since it was installed in 1954. Some diplomatic sources have said that Stroessner, despite his calls for internal unity in the Colorado Party, covertly backs his interior minister whom he views as being less likely to favor changing the facade under pressure from Washington or national political groups.

At any rate, the Colorado Party convention has made evident that there are confrontations and maneuvers under the shadow of a dictator who, because of the law of nature, is nearing the end.

The picture portrayed by the Paraguayan power groups following the unfinished battle of this past weekend is that of two flocks of vultures fighting over the decaying carcass of the dictator.

However, the power to make the final decision does not belong at all to those who are fighting on the path of continuity.

DROUGHT CONTINUES TO HAMPER AGRICULTURE

FL042010 Havana Radio Rebelde Network in Spanish 2300 GMT 3 Aug 87

[Text] Reports from Sancti Spiritus have noted that the drought continues to have an effect on the territory's agriculture by seriously hampering feed and forage planting plans. Up to the month of July, only 58 percent of these plans had been fulfilled. Although most of the delays are drought-related, there are some enterprises in the southern part of the province which have had too much rain or have had rain at the wrong time.

WORKERS BUILD FACILITIES FOR OIL TANKERS

FL041422 Havana Tele-Rebelde Network in Spanish 1100 GMT 4 Aug 87

[Text] The laborers of the Maritime Works Enterprise of the Ministry of Construction are working toward finishing 15 investment projects this year. Among those outstanding are dredging projects and construction of specialized and conventional docks in several coastal areas throughout the country.

Some of the most important tasks that should be finished by the end of this month are the deepening of the access canal, a wet dock, and the docking area at Cardenas Bay, which will create the facilities needed so tankers arriving to load our oil can depart at full capacity.

Other works that will soon be completed and are related to oil and other varieties of fuel include the dock that will supply the Matanzas thermoelectric center and the loading area at the Hermanos Diaz Refinery in Santiago de Cuba.

NUCLEAR WORKERS CONTINGENT TO ORGANIZE

FL102342 Havana Radio Rebelde Network in Spanish 2300 GMT 10 Aug 87

[By Manuel Barreda Perez, Cienfuegos Province correspondent]

[Text] On Thursday, 13 August, a contingent of nuclear construction workers will be inaugurated. This group includes 2,000 workers who began construction on the Cienfuegos electro-nuclear center. This specialized organization will include thousands of workers, technicians, and leaders. Its fundamental objective is to achieve greater stability and cohesion among the work force to guarantee the stability and experience needed in this type of work.

HAITI

VARIOUS GROUPS DENOUNCE DECISION TO HOLD EXAMS

FL101550 Port-au-Prince Domestic Service in Creole 1300 GMT 7 Aug 87

[Text] In Port-au-Prince, the Confederation for Democratic Unity [KID], the People's National Assembly [ANP], and the National Organization for the Defense of the Young [Ornadej] have sent a note in which they denounce the minister of national education's decision to schedule the baccalaureate exams for 10 August. According to KID, APN and Ornadej, the minister's decision is a means of sending students to their deaths.

For its part, KID reminds the minister of education that the baccalaureate exams are for everyone who has made sacrifices during an entire year. The exam is not merely for a small group of students, as the minister implied when he said the exam would be given, even if only a few students showed up to take it.

In the note, Ornadej asked the minister of education, among other things, who was going to monitor the students on exam day, because the Confederation of Haitian Instructors [Confederasyon Anseyan Dayiti] and other teachers associations in Haiti have stated they do not want exams held at present, and have expressed support for the students' refusal to take the test.

Group of 57 Appeals

FL102048 Port-au-Prince Radio Lumiere Network in Creole 1330 GMT 10 Aug 87

[Text] Here is an appeal to the Haitian people, moral forces, and the entire diplomatic corps in Haiti sent to us by the Coordinating Committee working on the crisis in the country:

The Coordinating Committee of the 57 organizations and federations working hand in hand with provincial coordinators on the crisis in the country since 25 June, noted yesterday, 9 August, like everyone else with common sense in the country, that Haiti is on the brink of a big catastrophe.

On the one hand, the National Government Council [CNG] has refused to listen or see and has decided to schedule the baccalaureate exam for today, 10 August, while all the youth organizations throughout the country have stated they do not want to take the test at this time when teachers' organizations, unions, political parties, and religious organizations have stated clearly the exam cannot be held at such a critical moment in Haiti. And what is worse, the government has not hesitated to threaten the population. The Haitian Army has been patrolling the streets of Port-au-Prince, in battle dress and with weapons in hand since Saturday.

On the other hand, not only have the baccalaureate candidates said they will not take the exam, but they have also called for a general strike and there are many places where they are planning to hold demonstrations today, Monday, 10 August. The young, who know they are defending a just cause, are determined not to back down from their decision.

Under these conditions, we think there could be some children killed on 10 August in clashes between the Army and demonstrators, says the Coordinating Committee of the 57 organizations and federations working on the crisis in Haiti. That would be terrible for mothers, and the country would sink further into violence because of all the future problems this would entail for Haiti.

In order to avoid this great disaster, which can plunge the country deeper into sorrow after the Jean-Rebel massacre and all the other crimes already committed, the Coordinating Committee, out of respect for the lives of all, and in view of the importance of youth in the life of the nation, hereby makes a solemn, public appeal to the diplomatic corps and to all moral forces in the country -- the Episcopal Conference, the Federation of Protestant Churches, the Supreme Court of Appeals, the Order of Barristers, and human rights groups -- to waste no time in reaching an agreement with the CNG to not hold the baccalaureate exam on 10 August. Reason and prudence recommend this; the national interest, which should be placed above the pride of a government or any political groups, requires this. The lives of the country's youth, which are necessary in order to build a democracy and bring about development, require this.

For all these reasons, we ask the diplomatic corps and the moral forces to take action during the day, without wasting any time. Haiti finds itself at a very serious moment.

At the same time, the Committee states to the entire nation it knows the existing government is incapable of listening to reason, as usual. That is why -- if the government proves obstinate and does not cancel the exam -- it asks citizens throughout the country to support the youth in all their decisions to not take the baccalaureate exam at this ticklish moment in Haiti. This means respecting all the directives they issue: general strike, masses, etc.

The committee asks the General Headquarters of the Haitian Armed Forces to shoulder all its responsibility before history, so the bloodshed of Haitian children can stop. Such is the General Headquarters' role and its duty under the Constitution.

Long live the youth of Haiti! Long live the Constitution of 1987! Long live Democracy for Haiti! Down with violence!

PUCH CALLS FOR SUPPORT FOR ACTIONS AGAINST CNG

FL102216 Port-au-Prince Radio Lumiere Network in Creole 1330 GMT 10 Aug 87

[Text] A note from the United Party of Haitian Communists [PUCH] says:

Considering that the provisional National Government Council [CNG] has taken a number of measures to thwart the great victory the people obtained on 7 February 1986;

And considering all the strategems used by the Ministry of Education and the Ministry of the Interior in order to hold the baccalaureate exam on 10 August, after all the candidates to the exam have declared that they will not take the said exam because the existing CNG is an unpopular government maintaining power only through repression;

And considering the fact that the Army is sowing insecurity throughout the country and firing bullets and tear gas, which it uses to abuse the people, at the drop of a hat;

And considering the fact that to send children to take a baccalaureate exam under such circumstances is to endanger their lives.

We of the PUCH City Committee for Port-au-Prince say the conditions necessary for holding a baccalaureate exam do not exist. The baccalaureate exam will be held when the proper conditions exist.

The PUCH City Committee for Port-au-Prince takes this opportunity to state it agrees with the Autonomous Metropolitan Area Transport Workers Central when they say the price of gasoline is unacceptable. The petroleum price increase is going to be one more burden added to the burdens already crushing the Haitian people. The communists in Port-au-Prince will be united with the measures they are going to take to stave off this low blow the Chamber of Commerce is trying to deal the Haitian people.

The PUCH City Committee for Port-au-Prince asks all party members and sympathizers in Port-au-Prince, and all organizations friendly to the party, to help ensure the total success of any acts of solidarity that may be waged in order to make the provisional CNG fail. The directive is: Down with any coup d'etat! Down with the provisional CNG! Long live the Constitution!

ST VINCENT AND THE GRENADINES

OPPOSITION CALLS FOR URGENT MEETING ON OECS

FL101120 Bridgetown CANA in English 1357 GMT 8 Aug 87

[Text] Kingston, St Vincent, Aug 8, CANA -- The opposition Movement for National Unity (MNU) has called for an urgent meeting of the heads of the government and opposition leaders of the Organisation of Eastern Caribbean States (OECS). The call is carried in a front page story of the party's organ UNITY, under the headline Let Us Not Fail.

The MNU said the meeting was necessary to discuss in detail the process towards political union and the possible contours of the actual union itself.

The party said it was fearful that the necessary, feasible, admirable and historic goal of OECS unity would not be raised unless the meeting was forthcoming.

MNU said the inherent consultative and participatory value of such a meeting was plain for all to see. But that more importantly the governments needed the solid support of the opposition parties if political union was to be achieved.

It noted that a two-thirds majority in each parliament, plus a two-thirds majority in a referendum in each country were constitutionally required to bring about a political union.

It is well-nigh impossible for a two-thirds majority to be secured in a referendum without the active support of the opposition parties, and in a key country like St Lucia, Compton cannot get a two-thirds majority in parliament without the support of the opposition St Lucia Labour Party (SLP).

The party believed that both the government and opposition had certain overriding obligations to the proposed union and to history.

But it suggested that each side must abandon the instinctive tribal partisanship of small-island politics or must at least become bipartisan.

MNU held that the initiatives on OECS unity was [as received] in danger of losing momentum unless heads of government consolidated upon the progress that had been made so far regarding general popular acceptance of the principle of political union.

It declared: The hard consultative work with the opposition parties must begin now. Loose talk must give way to disciplined detailed research, education, consultation and participation.

FOREIGN SECRETARY SEPULVEDA TRAVELS TO BRAZIL

FL070206 Mexico City NOTIMEX in Spanish 2213 GMT 6 Aug 87

[Text] Mexico City, 6 Aug (NOTIMEX) -- Foreign Secretary Bernardo Sepulveda traveled today to Brazil where he will meet with Contadora and Support Group foreign ministers to continue their Central American peace efforts.

He said he will be in Sao Paulo on 8 August, in Campo de Jordao on the 9th and 10th, and in Brasilia on the 11th. It was reported that the eight foreign ministers of the Contadora and Support Groups will hold the second meeting on political conciliatory mechanism in Sao Paulo. The agreements reached in Argentina, the Cartagena Consensus regarding technical development for the Latin American Parliament, as well as the legal aspects of the membership and perdiem will continue to be followed up in the meeting.

The Mexican Foreign Secretary will meet in the Brazilian capital with President Jose Sarney, who will give a luncheon at the presidential mansion.

FOREIGN SECRETARIAT DENIES ARMS SALES TO IRAN

PA072214 Mexico City XEW Television Network in Spanish 1300 GMT 5 Aug 87

[Text] The Foreign Secretariat has denied reports that Mexico is one of the countries that sells weapons to Iran. The charge against our country was made by an alleged expert of the Peace Research Institute in Stockholm, Sweden. The report was disseminated by some international news agencies.

In a communique, the Foreign Secretariat stated Mexico is not an arms exporter. It added that consistent with its foreign policy principles, Mexico has from the beginning called for the suspension of hostilities between Iran and Iraq.

VENEZUELA AGREES TO REFUSE OIL FOR AREA WAR

FL041654 Mexico City NOTIMEX in Spanish 2028 GMT 30 Jul 87

[Text] Mexico City, 30 Jul (NOTIMEX) -- Venezuelan President Jaime Lusinchi said today that oil is not being provided to Nicaragua outside of the San Jose Agreement because it would violate that instrument's laws on development assistance. Mexico and Venezuela reject any possibility of providing oil for the war, said the Venezuelan president during a press conference at the Carranza Hall of the presidential residence, Los Pinos.

Neither Mexico nor Venezuela is interested in causing massive oil price increases that would result in advance reactions, he said, but prices will remain competitive and oil will continue being a primary energy product.

In response to a question asking if Nicaragua will receive a greater amount of oil under the San Jose Agreement, Lusinchi said there is no possibility whatsoever of this happening since the terms of credit under the agreement are clearly stated and are based on 80 percent of the invoice while the remaining 20 percent is based on credit with preferential rates.

The Venezuelan president also said Mexico and Venezuela can achieve Latin American unity which is the only true element of power that Latin American countries can depend upon to confront foreign interference. We have acted diversely and independently, he said, and this has been accepted by all of Latin America, especially in the case of renegotiating the foreign debt. In this sense, he said, great importance is placed on the agreement signed today by Mexican President Miguel de la Madrid and the Venezuelan Government because it proposes practical and viable solutions. Lusinchi said four basic instruments were signed to the satisfaction of the two governments and these reflect the good relations that exist between the two countries.

In reference to Central America, Lusinchi said that the role of the Contadora Group -- of which Mexico and Venezuela are members -- should be that of a mediator in good faith and promoter of peace in the region. Nevertheless, he said that it is now up to Central American countries to take a more active role in making peace a reality. It is not possible to continue playing with something as dangerous as regional stability, said Lusinchi. It is not known what the results would be if the conflict is extended throughout the continent, he stressed.

Later, the Venezuelan leader called on the superpowers not to intervene in Central America because the lives of thousands of people are at stake.

Lusinchi said that one of the topics of greatest concern that he discussed with President De la Madrid was that of drug trafficking and the two statesmen reaffirmed their willingness to work jointly to totally fight its production, commercialization, and consumption.

The Venezuelan president today concludes his 4-day state visit to Mexico.

DANIEL ORTEGA DISCUSSES GUATEMALA SUMMIT

PA082300 Managua Domestic Service in Spanish 1858 GMT 8 Aug 87

[Speech by President Daniel Ortega from the auditorium of the Presidency Press and Information Directorate -- live]

[Text] Nicaraguan brothers: Yesterday in Guatemala, the Central American presidents arrived at a very concrete, specific agreement that is historically very important. In Guatemala, we signed a document that has been entitled: Procedures To Establish a Firm and Lasting Peace. This document is derived from Costa Rican President Oscar Arias' peace initiative and takes into account all the negotiation efforts that have been promoted by The Contadora Group, the Support Group, and the statements made by the United Nations, the OAS, and other international organizations. This agreement is historically very important because after all these years of confrontation, of war, of violence, of U.S. Government aggression against the Nicaraguan people, the Central American presidents have taken an independent position without foreign influence. The agreement signed in Guatemala yesterday contains a series of points that have already been reported in our country.

First, it is necessary to see clearly that this has been one more effort made by the Nicaraguan people and Government, and by the FSLN National Directorate to initiate an effective negotiation process that would conclude with peace. From the 1st day of the revolution, we have been firmly engaged in achieving peace for our people. We have multiplied our efforts toward this end since we have been confronted with the U.S. Government's aggression; that is, since January 1981. Everyone knows about the specific Nicaraguan proposals which have been made to the Central American governments on different occasions. Everyone also knows about the specific proposals for agreements and treaties that have been formally presented to the U.S. Government. We have always had the will to initiate a negotiation process that would lead to peace for the Nicaraguan people, and thus contribute to obtaining peace for the Central American region.

In the search for peace, the Nicaraguan people have been and are the first concern of the FSLN National Directorate and of the revolutionary government. However, as we have established, when we speak of peace, we are speaking of a just and dignified peace; a peace respectful of the principles of self-determination, independence, and sovereignty for the countries. As long as these terms are not presented, as long as Nicaragua continues to receive threats and ultimatums from the U.S. Government, it is logical that a negotiation process can not be initiated. These conditions negated our principles, and U.S. Government leaders refused to negotiate with Nicaragua.

We have been clear and we continue being clear that we maintain the principle of not negotiating with what is known as the head of the National Resistance, the mercenaries, the contras. We will not negotiate with this small group of people who have betrayed Nicaragua and who are nothing more than paid U.S. government employees, CIA employees. We have insisted on the need for a direct dialogue with the U.S. leaders -- who, after all, are the ones who determine the policy of aggression against Nicaragua. Therefore, when the U.S. President's peace initiative was released and announced, we immediately agreed to a dialogue with the United States to discuss that initiative.

For this reason, when the U.S. President's proposal -- the peace proposal -- became known, we agreed at once to hold a dialogue with the United States to discuss this peace proposal, so the United States would at the same time learn about Nicaragua's proposals for peace. Then, taking into account the U.S. peace proposal, and the United States' becoming aware of Nicaragua's peace proposal, an attempt would be made to find the points of agreement that could lead to an accord that will give both of us security and normalizes our relations.

Nicaragua maintains this position. After signing this document with the Central American governments, we want to again call upon the U.S. Government to establish a dialogue with Nicaragua to restore our relations. We urge the United States to stop at once all support and financing, of the mercenary forces and thus contribute to the success of this peace proposal which has become a commitment to peace, signed yesterday by the five Central American presidents in Guatemala.

We make this effort always bearing the best interests of the Nicaraguan people in mind. The Nicaraguan people are defending their freedom, their independence, their right to democracy, their right to peace; and they are doing this with firmness, with dignity, and with courage. They are a people who are shedding their blood every day to guarantee the independence gained on 19 July 1979. Of course, the Nicaraguan people, the Nicaraguan Government, the Sandinist Front prefer a peaceful solution rather than this conflict, this confrontation, this warlike escalation on the part of the United States -- including the danger of a direct conflict with U.S. troops, even though we feel sure that if it ever came to that, we would defeat them. We prefer the road to a peaceful solution, rather than the road to a violent situation. However, U.S. policy has been setting the pace through its insistence in continuing the strife, the destruction, the killings, and economic blockade against the Nicaraguan people; and the U.S. President's insistence in seeking more financing, in seeking bipartisan support for his interventionist policy against Nicaragua to escalate the aggression and perhaps to eventually intervene militarily in our country.

This is the status quo of Central America at this moment. On one hand, the Central American rulers, in a sovereign and independent gesture, have decided to sign this document; and on the other hand, we have the U.S. power with its warlike policy against the Nicaraguan people. We have said many times that this Central American conflict is not an East-West confrontation; this is a confrontation between the United States and Latin America. We have stated repeatedly that this is not a conflict among Central American nations; it is a conflict in which the United States has imposed upon some of the Central American nations its own political and military dynamics to make war against Nicaragua.

However yesterday's events have shown that there is a willingness on the part of the Central American rulers that goes beyond that decision and these actions taken by the U.S. Government. The peace agreement signed yesterday by the Central American presidents in Guatemala is an important opportunity for us Central Americans to close ranks in favor of peace and against a military solution. We have reached the end of our possibilities, the end of our capabilities, because on the other side there is the U.S. military power with its own policy. It is that policy which is going to decide whether the war will continue or whether it will respect the agreement of the Central American rulers and cease its warlike policy and help the opening of a real space for negotiation in Central America, so we can reach final agreements that will bring peace.

We are currently facing the first great step that we had hoped to be able to take, and for which we had been struggling all these years, during all the long and continued meetings in various organizations in various forums, under the auspices of Contadora and the Contadora Support Groups.

This is the synthesis of all those efforts for peace in which all the countries of the world have been involved, because alongside the individual Latin American countries, we have the Contadora Group and the Support Group.

These actions have been backed by the EEC, the Soviet Union, the community of Socialist countries, the Nonaligned Movement, and the entire international community. All of them have advocated a peaceful solution in Nicaragua. Truly, only the United States has insisted on a military solution. This document, then, is the result of our efforts.

Finally, we the Central American presidents, battling pressures and U.S. actions against peace, have taken a historic step and said: We will work for peace in earnest. We have made a very specific proposal. It is clear that when we say we will really work for peace, it is because peace has not yet been achieved in Central America. At this moment, we the Central American presidents (?have) an instrument, the one (?signed) in Guatemala, which we now have the enormous duty to enforce. To the extent that we fulfill the accords included in this document, we will weaken and isolate warmongering postures. The United States will be left increasingly alone. The time will come when the United States will finally have to make up its mind. As this negotiation process advances, the United States will have to either support it effectively by stopping its terrorist policy against Nicaragua and respecting the International Court of Justice's decision, or continue its warmongering policy; keep financing, supplying, training the mercenary forces; try to achieve peace with the mercenary forces; and continue to make plans for a direct intervention with its own troops against our country. This is what remains; this is the immediate (?position) of the negotiating process. On one hand, there are the Central American people willing to work for peace; on the other hand, is the United States so far unwilling to act, without any expressed willingness to abide by these accords, bent on its warmongering policy against Nicaragua. Within the context of this political and diplomatic effort and the specific actions derived from it, we Nicaraguans must first of all continue to maintain our defensive ability. We must carry out all of our defense plans, including the mobilization of our patriotic Military Service and Military Reserve Service combatants, to keep hitting and annihiliating the mercenary forces, who are bent on executing terrorist actions against the civilian population. In other words, we cannot lower our guard regarding the military defense of the revolution. We cannot lower our guard regarding the defense of our economy either. The two, military defense and the defense of the economy, comprise the defense of our Sandinist people's revolution.

The first point of the document signed yesterday is entitled: National Reconciliation. It discusses dialogue, amnesty, and a national reconciliation commission. According to this first point, we the Central American presidents jointly pledge to create mechanisms, according to law and the Constitution in each of the countries, to discuss with unarmed domestic opposition political groups and those people who have taken refuge in amnesty.

Then there is the issue of amnesty.

We have a more general amnesty [words indistinct] an open amnesty for all of those who are active in counterrevolutionary activities so they can take advantage of it any time.

We have been announcing this amnesty since November -- I mean, January 1985. We have expanded and ratified this amnesty. This amnesty has been in operation in Nicaragua to a great extent. We have also established a pardon policy, according to which we have released some prisoners who have behaved correctly and have been judged as capable of being reincorporated into society. Amnesty here (?is all the more) evident because we have seen the Central American governments close ranks in favor of a peaceful solution. Those who are involved in counterrevolutionary armed activities must understand that they are gradually being left with less space and support and that the best thing they can do is take refuge in amnesty. Those who accept amnesty automatically recover all their rights in this country. They will then be able to participate in the political activities of the parties legally organized in our homeland.

The document speaks about a national reconciliation commission, which will work in the verification of the commitments of the five Central American governments. The document speaks about amnesty, cease-fire, democratization, and free elections.

These elements are not news to us because in Nicaragua, when we speak of democratization, we are not speaking about anything new. In 1979, we spoke of new things because the democratization process was initiated for the first time in Nicaragua's history on 19 July 1979. It was initiated by teaching the people how to read and by giving the workers the right to organize themselves. It was initiated by giving the rank-and-file, the peasants, workers, women, and the young, that is, all Nicaraguans, the right to organize.

The democratization process was also initiated by guaranteeing the right to work, by giving protection to the workers, and through the agrarian reform. It was initiated with the presidential and National Assembly elections. We have sustained the democratization process by carrying out many political, economic, and social actions. At this very moment, at the National Constituent Assembly -- I beg your pardon, at the National Assembly, which was a constituent assembly -- there is a debate on the regulations of the Constitution. In other words, we continue to work on the democratization process of our fatherland, and we are doing it in a pluralist framework clearly established in the Constitution and we have implemented [words indistinct] because in the elections there was pluralist participation and the only parties that did not participate were those that did not want to participate, and the only parties that did not register were those that did not want to register. We made many attempts to secure the registration of all opposition political parties in this country. We made many attempts. Therefore, democratization is not foreign to the Nicaraguan process. We are working on that, and we will continue to do so. The commission would continue, among other things, this commitment.

A cease-fire. We believe a cease-fire will be necessary, as will be amnesty, which is the primary party, let us say, of a cease-fire. We will have to establish a mechanism to implement the cease-fire.

This cease-fire is to give people who are armed and who carry out counterrevolutionary activities the possibility of surrendering their weapons and of enjoying guarantees of security. If they want to stay in Nicaragua, they will be able to stay in Nicaragua. They can live any type of life they choose. They can be politicians if they so choose. If they want to join the production sector, they may do so, and they will also be free to go to another country if they desire.

We speak here of [words indistinct] democratization and free elections. Fine. We have had free elections here. Deadlines have been established for holding free elections, and this commission can participate in future elections the same way that hundreds of international observers watched our past elections and testified that our elections were carried out fairly.

Who will make up the National Reconciliation Commission? There will be four people: A principal and an alternate delegate. [sentence as heard] There is an alternate in case the principal gets ill or has to be absent, etc. The idea is that there will always be four persons working on the commission.

Where will these people come from? First: This commission will be convoked by the government. It will be made up of a government delegate -- a principal and an alternate. There will be a principal and an alternate delegate from the Episcopal Conference. We would also have a principal and an alternate from the legally registered opposition political parties. In this country, we have 11 legally registered opposition political parties. Counting the FSLN, we have 12 legally registered parties.

These parties are: The Conservative Democratic Party, Social Christian Party, Independent Liberal Party, Constitutionalist Liberal Party, Social Democratic Party, Central American Communist Party, Popular Social Christian Party, Nicaraguan Socialist Party, Communist Party, Marxist-Leninist Popular Action Movement, Revolutionary Party of the Workers, and the FSLN -- a total of 12 parties.

Eleven of these 12 parties are opposition parties. A principal and an alternate will come from these 11 parties to integrate the commission. Then there will be a prominent person who will be appointed by the government but who will not be a member of the governing party or of the government; that is, he must not be serving as an official of our government.

The Episcopal Conference and the political parties will present three principal and alternate candidate tickets. The government will choose from this list of candidates.

This is how the commission will be composed: One delegate from the government; one delegate from the Episcopal Conference, a bishop; an independent prominent person; and a representative of the opposition political parties.

There is a 15-day deadline to present the lists of candidates. In other words, the government would request the lists of candidates within the next 5 lawful days after the document is signed. This means that we will have until next Thursday to issue a formal request to the Episcopal Conference and to the legally registered political parties.

Likewise, the government will appoint its delegate and appoint an independent person. We will begin to count the days on Friday, so we have Friday, Saturday -- Sunday does not count -- Monday, Tuesday, and Wednesday. I think that Wednesday [words indistinct]. This means that they would have 15 days to answer the request.

There is a second point that is called an appeal to cease hostilities. All the governments appeal to the area countries that currently suffer from the actions of irregular rebel groups to achieve an agreement for a cease-fire. The governments of those states are committed to conduct all the necessary actions to succeed in attaining a cease-fire within a constitutional framework.

A third point talks about democratization, and we all pledged to continue developing the democratic, pluralist, and broad process, which implies the promotion of social justice, human rights, sovereignty, territorial integrity, etc. -- which is really what we are doing in Nicaragua. The document states that it is understood that the democratization process should also include complete freedom for the television, radio, and press media; opening and operating news media for all the ideological groups; and operating those media without prior censorship. Also, a full political and party pluralism should be confirmed, and the political organizations will have full access to the news media, full enforcement of the right to organize and hold public demonstrations, etc. Also, the governments under the state of emergency or state of seige will lift these measures and implement a legal state with full enforcement of all constitutional guarantees.

We have a state of emergency, which limits some of the rights established in this country, and which [words indistinct] and limits some of those rights. This does not contradict what we have been saying: The state of emergency will be lifted when the aggression steps. It is important to indicate that the document -- and this is reasserted on several occasions -- is indivisible, and the implementation of this document is simultaneous. Of course, if a certain government decides to adopt a given step before the simultaneous implementation of these actions, it may do so. For example, we might, if we reach an agreement with the church within the 90-day deadline -- during the dialogue we have pending with the church -- reopen Radio Catolica.

This also applies to other steps that we may take. For example, if the National Assembly decides to adopt a certain legal action within the framework to strengthen our democracy, this is not a problem. In other words, every country may do what it considers most beneficial; this includes other measures. However, the states are committed to a simultaneous implementation.

The document also mentions free elections. This is an interesting point, because it talks about elections to comprise the Central American Parliament, the creation of which was proposed in the Esquipulas Statement on 25 May 1986. To this end, the presidents voiced their willingness to make progress in the organization of this parliament. For this, the Central American Parliament's preparatory commission must conclude its deliberations and deliver to the Central American presidents the corresponding organizational draft within 150 days. The next presidential meeting is scheduled to take place in 150 days. Consequently, this refers to the Central American Parliament's elections, once the provisions are fulfilled -- meaning the work to be carried out by these commissions.

Also, these elections will be held simultaneously in each Central American country during the last quarter of 1988, on a date to be agreed on by the Central American presidents. The elections will be overseen by the corresponding electoral organs. The respective governments pledge to issue an invitation to the OAS, United Nations, and the governments of third states to send observers -- in other words, the same thing we did here for the elections: We invited observers.

After the elections to form the Central American parliament are held, similarly free and democratic elections will be held in each country, with international observers, with similar guarantees -- like the ones we established here when we had the elections -- and within the deadlines and in accord with the schedule to be proposed according to the current political constitutions, to establish...[corrects himself] to appoint people's representatives in municipalities, congresses, legislative assemblies, and the presidency of the Republic. In other words, there is a pledge to hold free elections within the deadlines established by our respective constitutions.

Fifth [number as heard]: Cessation of aid for unconventional forces or insurrectional movements, cessation of aid for unconventional forces or insurrectional movements [repeats himself]. It says here that the governments of the five Central American states will request that the regional and foreign governments that openly or covertly give military, logistical, financial, and/or propaganda aid with men, arms, ammunition, and equipment to unconventional forces or insurrectional movements, stop this aid. This cessation will be an essential factor to achieve a stable and lasting peace in the region. Consequently, we have two actions here. One of these actions is within our means. The Central American governments that are giving certain facilities concerning the use of their territory, etcetera to allow these actions to be carried out, have accepted the pledge to stop doing this. The Central American governments can do this, but the part that refers to extraregional governments is not within the Central American goverments' means. In our specific case, the extraregional government means the United States, the United States [repeats himself]. Consequently, it depends on the U.S. Government.

For this reason, we the Central American presidents, yesterday asked the foreign governments to stop this support. It remains to be seen whether or not they will honor this request. It remains to be seen whether they will continue their support. Of course, this will or will not make it possible to implement this peace plan. This does not include the sums earmarked for repatriation or for relocation and the necessary assistance for restoring to normal life those people who have belonged to such groups or forces. In addition, the countries will ask the unconventional forces and insurgent groups who operate in Central America to refrain from receiving this aid in a true Latin American spirit. These requests will be made according to the provisions in both the document of objectives regarding the elimination of the arms traffic between the area countries and the Contadora Document. As I explained, this document sums up President Arias' peace plan. This document was later expanded in this Guatemala meeting. This document sums up all of the peace efforts in the region to date.

Sixth: Refrain from using national territories to attack other countries. We have made this committment. Our countries are bound by this pledge, which applies if territories are used as a springboard to attack other states. This we can fulfill. There is little we can do to influence this, except regarding foreign actions, namely the United States' sending arms, ammunition, and explosives to the mercenary forces.

Seventh: Negotiations related to security and verification, control, and limitation of armaments. The governments of the five Central American states, with the participation of the Contadora Group in the exercise of its mediation role, will continue to negotiate the points regarding security and verification and control pending agreement. In the Contadora draft... [changes thought] This is to say, we will continue the discussion of the topic, which is included in the Contadora peace plan. These negotiations will also encompass measures to disarm the uncoventional forces willing to seek refuge in amnesty decrees.

Then we have point eight, which refers to refugees and the displaced, in which we pledge to take immediate care of the groups of refugees and the displaced by protecting them and assisting in their settlement and relocation, provided this is made on a voluntary and individual basis. Also, we pledge to negotiate with the international community for aid for Central American refugees and the displaced both directly, through bilateral and multilateral agreements, and the UN High Commissioner for Refugees, UNHCR. We have been working a lot with the UNHCR in repatriating Nicaraguans, particlarly those of the country's Atlantic Coast, who had fled to Honduras because of the situation of aggression and the contras' pressure.

We have point nine, called Cooperation, democracy, and freedom for peace and development, in which we clearly set forth that we cannot expect to establish peace, democracy, and development in Central America to create more equalitarian societies free from misery without an economic and social justice welfare system. To achieve this, it is necessasry for the governments to jointly negotiate special economic support for the international community. We agreed to jointly negotiate with the international community for an effective support of the Central American countries.

Point ten refers to the International verification and follow-up commission. This commission is to be formed by the UN and the OAS secretaries general or their representatives, as well as by the Central American and Contadora and Support Groups' foreign ministers. This commission will be in charge of verifying and following up the fulfillment of the commitments included in this document. Paragraph B deals with supporting and paving the way for the reconciliation and verification and follow-up mechanisms. This is to reinforce the activities of the international verification and follow-up commission. The governments of the five Central American states will release statements in support of this work. All nations interested in promoting the cause of freedom can join in this. Every effort will be made to make easier the full compliance of the functions of the verification and follow-up commission, as well as both the national reconciliation commission in each country and the international commission.

Point Eleven: Commitment compliance schedule. Here we have a schedule. Within 15 days of the signing of this document, the Central American foreign ministers will meet as an executive commission to regulate, foster, and make possible the enforcement of the accords in this document.

The detailed execution of this will be entrusted to the foreign ministers, and they will invite Contadora to join this process. First, the five foreign ministers will meet, they will agree on the mechanism, invite Contadora, discuss the proposals with Contadora, and thus negotiations and implementation will begin. All this will occur within 15 days.

We will see the first movement; namely, the formation of the national commission within 5 days. Those called to form this commission will have a 15-day deadline to respond to this call. After this 15-day deadline to form the foreign ministers' executive commission, we will see that the commitments related to amnesty, cease-fire, democratization, cessation of aid for unconventional forces or insurrectional movements, and refraining of use of territories to attack other states -- as defined in this document -- will apply publicly and simultaneously 90 days after the document was signed. This means that all of us are bound to apply this simultaneity at the end of 90 days. This takes for granted that we have been working to create the conditions to make this simultaneity effective. This presupposes, in the case of Nicaragua, that the United States has stopped its support for the forces, stopped the war against Nicaragua, and that it has abided by the International Court of Justice's [ICJ] decision. This also presupposes that this people [words indistinct], seek refuge in amnesty, obey the cease-fire, surrender their weapons, and return to society or stay in other countries, if they so desire.

Within 120 days of the signing of this document, the international verification and follow-up commission will analyze the progress made in the fulfillment of agreements specific in this document. Within 150 days, the five Central American presidents will meet to receive the report presented by the international verification and follow-up commission, and take the appropriate decisions. They will see what has happened, what was fulfilled, what was not fulfilled, why it has not been fulfilled, and what actions will be taken. If we reach the 90-day deadline and the document's points have not been fully implemented, this does not mean we will simply feel discouraged and say that everything has failed. Instead, we are pledged to adopt the corresponding measures to prevent a failure. The ideal thing would be for the actions to be simultaneously implemented everywhere once the 90-day deadline expires. That would be the ideal thing, the maximum goal. However, if we make some progress, it does not mean that this is a failure. We said that the signing of the document, itself, represents a substantial and historical achievement. The provisions clearly say: The points contained in this document make a harmonious and indivisible whole. Its signing entails the obligation, which is accepted in good faith, to simultaneously fulfill agreements made within specific deadlines.

We close with the following paragraph: The presidents of five Central American states, with the political determination to meet the aspiration for peace of our peoples, sign this document in Guatemala City on 7 August 1987. Follows the signatures of President Oscar Arias, President Duarte of El Salvador, Cerezo of Guatemala, Azcona of Honduras, and Nicaragua [as heard].

Following the signing of the agreement, Nicaragua has adopted a decision -- in a gesture of peace, flexibility, and fraternity with the brother peoples of Costa Rica and Honduras. I have given instructions to Foreign Minister D'escoto to take the corresponding steps to withdraw the suit filed against Costa Rica at the ICJ. Foreign Minister D'Escoto must do this within next week. The Nicaraguan Foreign Ministry will thus be allowed to fulfill the pledges it had previously acquired at the court, and to clearly specify the reasons that led Nicaragua to resort to the court in its search for peace. In other words, there are clearly established legal procedures that we have carried out, and we have to fulfill some provisions to withdraw the suit. Father D'escoto will be in charge of the corresponding actions. We consider this as a gesture of Central American brotherhood toward the Costa Rican people, the brother people of Costa Rica; and a gesture of recognition to President Arias, who has played an outstanding role with his peace proposal in this truly historical moment, which led to the signing of the Esquipulas agreement yesterday.

Referring to Honduras' case, our suit at court is at another phase. We reached an agreement, and we have issued instructions to our respective foreign secretaries, so that they ask the ICJ to accept a postponement of the oral proceedings to establish responsibilities. That is the next step at court, and we have asked the court to postpone it for 3 months, thus allowing the next presidential summit to take place; excuse me, thus allowing -- no... [someone murmurs in background]... Yes, 3 months if we begin counting on 20 October. Consequently, we will wait until 20 January, when the next presidential summit has already taken place and when we have analyzed if the conditions are right to do what we are doing with Costa Rica -- that is, suspend the suit against Honduras.

Nicaraguan brothers, this is the peace agreement titled: Procedure to Establish a Firm and Durable Peace, which I signed yesterday on behalf of the Nicaraguan people, interpreting their willingness to attain peace, the need to struggle for the Nicaraguan people's lives, and our principles of seeking a peace with dignity and justice. This transcendental step has been possible not only because of the willingness to attain peace of the Nicaraguan Government, people, and the FSLN, but also because of the permanent struggle that the Nicaraguan people have been waging to defend their peace. This struggle has been exemplified by the revolution's defense against the U.S. Government's military, economic, political, and social attacks. This defense has tested the strength, heroism, and resistance of our people, Sandino's people. This defense has also tested the people's will. If the mercenary forces has also tested the people's will. If the mercenary forces had attained their goal of 16,000 or 30,000 men -- instead of the 6,500 mercenaries they actually have -- then surely this agreement would not have been possible; we would be in a much worse situation. In other words, this agreement has been possible thanks to the willingness, strength, and firmness of the Nicaraguan people, the fighters in our Army, the reserve forces, workers, and peasants who defend the revolutionary process with their blood.

This agreement has been possible thanks to the heroism of the Nicaraguan mothers who have not hesitated when their sons joined and continue to join the defense of our revolution.

Since this is the main factor, we must safeguard this strength and, as I said, we will safeguard it by increasing our combat readiness and willingness to continue increasing the mercenary forces' strategic defeat. We must increase our training and organization for the defense of our nation in the reserve forces, and be prepared to counter, resist, and defeat a Yankee intervention -- if it ever takes place, because the possibility has not yet been ruled out. We must be firm and draw strength from weakness; we must continue to increase our production in the factories and enterprises in the countryside and the city; and we must continue to introduce new systems to increase our productivity. We will thus strengthen the defense of the revolution, our unity as a nation, and the possibility of attaining peace in Central America.

Meanwhile, this represents the first step taken by the Nicaraguan people, who have been defended by their government and their undeniable vauguard, the FSLN. However, we must continue the struggle to implement the next steps in this agreement. We must exert ourselves to the utmost so that the agreement is implemented, because the United States is surely planning how it will disrupt the negotiation process within the next 90 days. The United States is surely planning how it will cause conflicts among our nations, to separate us and foil our efforts. The U.S. Government is surely preparing other political and military plans to disrupt the Central American presidents' willingness and firmness. Consequently, if we want to attain peace, if we want to achieve the peace that all the Nicaraguans really want, we must first continue to strengthen our defense in every sector -- military, political, economic, and social. These agreements will be implemented if we strengthen our defense.

We want to tell the United States and President Reagan that we do not want a violent solution, that our goal is not to wipe out the last mercenary. We would like to end the confrontation this very moment. Therefore, they must put an end to their terrorist policy against Nicaragua and respect the ICJ ruling, and abide by it immediately. The United States must stop financing the contras, and hold a dialogue with Nicaragua. We are willing to hold a dialogue with the U.S. Government to normalize our relations.

We tell the Nicaraguan people: We will continue to struggle for peace, interpreting your feelings, will, and hopes. Thank you.

PRESIDENT ALFONSIN DISCUSSES DEBT DIFFICULTIES

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[Text] (NA-DYN) -- President Raul Alfonsin headed north yesterday to the provinces of Misiones and Corrientes where the foreign debt, speculation and the need for co-existence were among the themes of his three speeches.

Alfonsin told a crowd of 30,000 people in the Misiones town of Leandro N. Alem, his longest stop, that Argentines could choose between "continuing to cry or getting down to work" like the pioneers.

He also said that Argentina's creditors understood that they "cannot continue improving the standard of living of their peoples on the basis of a fall in the Argentine standard of living."

More and more people in the world were understanding that the debt problem was political and social as well as economic and financial, he added. It was time to confront both foreign debt interest payments and prices, he also said.

Alfonsin highlighted that the country was going through a difficult time because of the foreign debt and the fall in international prices, which had impoverished the economy, stripped it of its capital and brought down wages and pensions.

The president also stressed that Argentines were "burying the violence and sectarianism inside themselves" so that "parents no longer had to bury their children." Alfonsin further said that he had the humility to admit it when he made mistakes.

Alfonsin was greeted by Misiones Radical Governor Ricardo Barrios Arrechea, whom he later described as a "de luxe governor," and Radical gubernatorial candidate Mario Lozada on his arrival in Posadas.

The presidential entourage then took a bus to inaugurate a tobacco-processing plant in Leandro N. Alem, 76 km away. The factory will employ 200 workers on a co-operative basis.

At Alfonsin's next stop in Goya, Corrientes, local Governor Jose Antonio Romero Feris was hissed by some of the 3,500 present as he urged more federalism and a better distribution of wealth.

Activists of the locally dominant Autonomist and Liberal parites as well as Radicals were present in the crowd. Some young Liberals shouted: "Go away" at the President, the first elected head of state to visit the town.

Alfonsin said that previously "we were destroying each other" but "now we know there can be adversaries but not enemies among Argentines of good faith."

The President was in town for the centenary of the local Mariano Loza School, which also prompted him to stress the importance of education. He paid tribute to the teachers who continued working despite low salaries.

Finally, Social Security Secretary Roberto Bigatti, who accompanied Alfonsin to Posadas, confirmed that there would be a seven-percent pension increase in August backdated to the beginning of the month.

Officials Rule Out Moratorium

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[By Francisco Arebalos]

[Text] Buenos Aires, 9 Aug (EFE) -- Despite permanent speculation on the exchange market, and despite the fact that inflation has seriously jeopardized the efforts to control the economy, Argentine officials have ruled out the possibility of declaring a mortorium on the foreign debt. This information was released by an Economy Ministry spokesman, who announced that Argentina will receive $45 million in credits from Japan's Eximbank.

During the first week of August when the July inflation rate -- 10.1 percent, the highest since the enforcement of the Austral Plan -- was officially announced, there were several rumors of changes in the government's economic policy. During the first half of 1987, the inflation rate reached 58.7 percent, far above official estimates, which placed the inflation rate for the year at 42 percent.

Despite this, the spokesman categorically denied that the Alfonsin administration is considering a moratorium on the foreign debt, stressing that an agreement that will provide "fresh funds" to Argentina will be signed with the creditor banks on 21 August. Government officials are trying to emphasize the "good relations" between Argentina and the international financial centers and creditor banks in an effort to halt hard currency speculation -- especially with the dollar -- on the black market.

In the past 5 days, the U.S. dollar rate of exchange rose by 10 percent, reaching 2.82 australs to the dollar (40 percent above the official rate), while at the end of June the rate of exchange was 2.16 australs to the dollar. This difference makes it almost impossible for Argentina to implement its program for rescheduling the foreign debt because there were no provisions in the program for more than a 25-percent difference between the official and the black-market dollar rates. Therefore, some international experts, such as Citicorp President John Reed, pointed out that the Argentine currency should be devalued by at least 20 percent. A 20-percent devaluation 25 days before the elections, however, is considered "political suicide" by President Alfonsin's advisers, because if the austral is devalued the price of food will automatically increase. A source close to the presidency told EFE that the government is concerned about speculation with the dollar.

Although it is illegal to negotiate in foreign currency, apartments and cars are being sold in dollars (newspapers are even advertising apartment and car prices in dollars), which are also used as a base for readjusting the prices of several properties and services.

In view of the increased inflation and the elections (there will be elections for governors and congressmen on 6 September), government officials have decided to find a way to stop the increase in the dollar exchange rate, a matter which has become the main topic of conversation among the Argentine people. One measure was announced by the Central Bank last night. It said interest on 30-day savings deposits will be increased to 9.5 percent, while interest on credits will be increased to 12 percent. Nevertheless, several banks offer 14 percent monthly interest on savings, and charge as much as 17 percent monthly interest on credits granted to large enterprises, since it is practically impossible to obtain personal.

Analysts now wonder whether or not the government will change its policies before the elections. The results of these elections will "shape" the Congress that will help Alfonsin govern the country during his final 2 years in office.

If the result of the elections is not favorable to him, President Alfonsin may lose his precarious majority in the Chamber of Deputies, and may find difficulties in continuing to implement his economic readjustment policies aimed at readjusting the economy. These policies are opposed by the Peronists, the largest opposition party.

JAPANESE EXIMBANK GRANTS LOAN TO FINANCE INVESTMENT

PY102135 Buenos Aires Domestic Service in Spanish 1600 GMT 10 Aug 87

[Text] The Eximbank of Japan and the Argentine Economy Ministry today announced the signing of an agreement by which the Eximbank will finance YPF [Government Oil Deposits] investment projects worth $373 million.

According to the official communique, the loan is part of the $500 million the bank granted the Argentine Government last February. The Argentine Government will soon apply for the financing of an additional project which will use the remaining money. This financing is not tied to imports from Japan. The loan is part of an important effort Japan is making to provide financing to countries with foreign debt difficulties. According to the official communique, this is one of the first steps in Japanese Prime Minister Nakasone's plan to recycle $20 billion to increase the flow of financing to the developing countries.

The Eximbank loans will be used to partially finance important YPF investment projects. These projects are co-financed by loans from the World Bank. Argentina will require an initial disbursement of approximately $150 million before the end of the year, according to the YPF investment schedule.

The official communique concludes by saying that this loan reflects the willingness of the two countries to strengthen their economic relations. The announcement comes in the wake of President Raul Alfonsin's visit to Japan in July 1986.

BRIEFS

COCAINE CONFISCATED -- Salta, 2 Aug (EFE) -- According to an official report, the Agentine Border Police seized 1 kg of cocaine and 440 kg of coca leaves in three operations carried out recently in this province along the border with Bolivia. [Excerpt] [Madrid EFE in Spanish 0200 GMT 3 Aug 87 PY]

GOVERNMENT CONTINUES FOREIGN DEBT PAYMENTS

PY102141 Madrid EFE in Spanish 0726 GMT 8 Aug 87

[Text] La Paz, 8 Aug (EFE) -- Bolivia has paid a little more than $15 million of its foreign debt so far this year, according to the National Treasury.

Government sources today said these payments concerned commitments with international organizations at the bilateral level. The same sources said Bolivia is not paying the foreign debt the public sector has contracted with private creditors and is trying to renegotiate its debt with creditor countries through the Paris Club.

According to information supplied by the Treasury, over $20 million were allotted to foreign debt payments. To pay the foreign debt, the Treasury has disbursed $1 million in the first months of 1987.

Bolivia has a debt that totals $3.3 billion, most of which -- $1.6 billion -- was contracted at the bilateral level. The public debt totals $660 million. The remainder of the foreign debt was contracted with international organizations.

ACCORD WITH IMF PERMITS USE OF GOLD RESERVE

PY070323 La Paz EL DIARIO in Spanish 30 Jul 87 p 1

[Text] The finance minister yesterday reported that the recent agreement signed with the IMF will allow Bolivia to use its gold reserve to obtain bridge loans for the reactivation process and to compensate its budget deficits, especially in the areas of investment and the provision of supplementary funds.

These bridge loans will be proportionate to a provisional $173.3-million support fund that will strengthen the balance of payments.

This agreement guarantees the stability of the economy, allows for the use of those funds to continue with the reactivation process, and provides an additional source of financial resources that can be used by Bolivia to support the balance of payments.

The agreement with the IMF also supports the reactivation process because it allows for the performance of all the financial operations that are established in Decree 21,660.

The minister said it is important the reactivation decree and the use of the gold reserves reveal the government's firm will to invest, which is the only way to make the economy produce more goods and services, and it is also the only guarantee for a higher national income.

In response to questions, Minister Cariaga explained that the accord signed with the private banks on 10 July amended the Bolivian public debt refinancing agreement, which was signed in 1981. This amendment, he added, grants the government 4 months to submit proposals for repurchasing its debt from all the Bolivian creditor banks that have signed the agreement.

He explained that the agreement signed on 10 July is very special, because it is the first time the international private banking system has allowed a debtor country to repurchase its debt, in this case with substantial discounts, taking into account that the Bolivian debt documents are being negotiated on the U.S. and European secondary markets at very low prices, because the international private banks were heavily burdened with most of the debt, whose principal reaches $600 million.

This amendment will come into force as soon as Bolivia meets the two following conditions: The government must approve the agreement by issuing a decree, and the IMF must agree to create a fiduciary fund that will provide the funds for purchasing the debt.

After Bolivia has met those conditions, he added, it will have 4 months to formulate an offer, estimating the price to be paid for repurchasing the debt it owes to each bank.

GENERAL DELIVERS ARMED FORCES DAY SPEECH

PY071618 La Paz La Red Panamericana in Spanish 1130 GMT 7 Aug 87

[Text] The Bolivian Armed Forces, dignified by their contribution of bloodshed, sacrifice, painful experiences, and immortal and resounding historical glories since the early days of independence, propose at this crucial moment in history that various political groups adopt policies of conciliation. This is the first part of a message delivered by the commander in chief of the Bolivian Armed Forces, Air Force General Gonzalo Saavedra, on Armed Forces Day.

After giving an historical account of the performance of the Armed Forces, Gen Gonzalo Saavedra said: Bolivia requires that its citizens work and produce to improve the country's situation and to reduce the level of counterproductive behavior and ideological obstacles that have constantly prevented better political development, which could have contributed to economic development and social welfare. Gen Gonzalo Saavedra then addressed his comrades-in-arms, urging them to preserve the current process by practicing truth and love for the fatherland and the moral values upon which it is based.

BRIEFS

COCAINE CARGO SEIZURE -- The Leopards [members of the Mobile Units for Rural Areas -- UMOPAR] have arrested Salim Saleck Aldana who was carrying almost 200 kg of cocaine in his Cessna plane. Aldana was arrested after landing on a clandestine strip in northern Santa Cruz Department. [Summary] [La Paz EL DIARIO in Spanish 30 Jul 87 p 7 PY]

REPORT ON DRUG SEIZURES -- La Paz, 6 Aug (EFE) -- Sources from the Narcotics and Dangerous Drugs Department have reported that the Bolivian specialized police have recently destroyed 10 important cocaine base laboratories and seized 48 kg of cocaine base during raids carried out in Cochabamba and Trinidad, east of La Paz. In Chimore, police destroyed three laboratories and seized 6.5 kg of cocaine; in German Busch police raided six laboratories but arrested no one; in Libidiso, police destroyed one laboratory, seized 7.1 kg of cocaine base and arrested three people; in Carmen, 0.8 kg of cocaine base was seized; in Senda Tres, police seized 17 kg of cocaine base; and in Isninuta 17.5 kg of cocaine base was seized. [Summary] [Madrid EFE in Spanish 0044 GMT 7 Aug 87 PY]

INDUSTRY MINISTER DISCUSSES NEED FOR IMF SUPPORT

PY101818 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Aug 87 p 23

[Text] Rio de Janeiro -- Addressing nearly 1,000 executives and representatives of the business sector, Industry and Trade Minister Jose Hugo Castelo Branco yesterday said in Rio de Janeiro that Brazil must go to the IMF. While the audience applaused his statement, Minister Castelo Branco added "the IMF is neither a blessing nor a curse in itself," and the prejudice against it "is irrational."

The minister delivered this speech during a luncheon hosted by the national confederations of trade and industries, the Rio de Janeiro bank unions, and other organizations. In the speech, Castelo Branco expressed concern "about the technological gap that separates the developed countries from the developing countries like Brazil."

He said: "The deterioration of the process can only be avoided if we realize Brazil is part of a universal system." He added: "We cannot risk Brazil's future for the sake of a mistaken idea of sovereignty."

Most of the speech was delivered in a vehement tone, and the minister was often interrupted by applause. The applause was strongest when the minister, referring to the transition to democracy, said: "We cannot fool ourselves. There will not be political freedom until we achieve economic freedom. The two are inseparable. If one ceases to exist, the other will also disappear. Therefore, we must strengthen economic freedom in order to preserve democracy."

According to Minister Castelo Branco, it is not sufficient to privatize state-owned companies in order to eliminate state interventionism. "It is also necessary to simplify entrepreneurial activities by freeing them from excessive regulation."

The minister again spoke in favor of joint ventures [preceding two words in English] and associations with foreign companies. He mentioned areas he thinks should be opened to foreign capital -- "preferably the areas of technological training, including research activities and in the generation and attraction of foreign currency."

During an interview after lunch, the minister commented on his position on the IMF: "It is a matter of mathematics, not of honor. The IMF is not a foreign power or nation. It is simply a financial agency. Naturally, I do not agree with any measure that causes recession or unemployment, and if anyone tries to put limits on our development, I bid him good day and discard any possibility of reaching an agreement."

In the opinion of the minister, who belongs to the executive board of the Minas Gerais State PMDB [Brazilian Democratic Movement Party], most of his fellow party members share this opinion.

SARNEY INITIATES EFFORT TO PREVENT STRIKE

PY071913 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Aug 87 p 1

[Text] Brazilian President Jose Sarney will invite labor leaders to talk over the strike scheduled for 20 August. Yesterday, the President's advisers tried to contact Luis Antonio Madeiros, president of the Sao Paulo Metalworkers Union, but were unable to reach him.

Madeiros was first on the guest list because the government liked his latest statement against the employment stability proposal, which is now being voted on at the Constituent Assembly.

The leaders of the Independent Labor Union [Uniao Sindical Independence] yesterday said the strike was "meaningless but its objective is political." They met with businessmen of the Federation of Commerce and suggested the strike be "aborted."

NUCLEAR POWER PLANT ANGRA I BREAKS DOWN

PY070328 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 6 Aug 87

[Experts] Experts from Furnas Centrais Electrics have concluded that the problem affecting the Angra I Nuclear Power Plant in Rio de Janeiro was caused by a problem in its manufacturing. Angra I will be idle for at least 6 months due to a problem in the electricity generator. The losses are estimated to reach 1.2 billion cruzados.

Angra I was inaugurated in 1974, 6 years behind schedule, at a cost of $2 billion. All the equipment for the power plant was supplied by the U.S. company Westinghouse. The Brazilian enterprise Furnas Centrais Eletricas has discovered several mistakes in the design provided by the U.S. company. Angra I has been closed and reopened 23 times already. It was presently generating an average of 570 megawatts, that is 570,000 kilowatts per hour. The power plant has been closed since 24 June because of a problem in the electricity generator. [Passage omitted]

Rex Nazareth, president of the National Commission for Nuclear Energy today demanded an inquiry on the problems that caused the closing of Angra I.

[Begin recording] [Nazareth] We cannot depend on foreign companies for our energy supply when this country has everything it needs for an autonomous nuclear energy program. We would then avoid problems like this one.

[Reporter] What do you think should be done in this case?

[Nazareth] We should hold the manufacturers responsible. In my opinion, something like this should never happen again in the nuclear energy field in Brazil. [end recording]

Westinghouse is the U.S. company that supplied the equipment for Angra I. Westinghouse has yet to answer charges made against the company in a federal court in New York. Judge Whitnam Knap has given Westinghouse until 21 September to answer the Brazilian charges that it sold Brazil faulty parts. According to a U.S. attorney specialized in commercial law, the trial may last 3 years.

Westinghouse Blamed for Failure

PY092314 Rio de Janeiro O GLOBO in Portuguese 7 Aug 87 p 18

[Text] Joao Camilo Penna, president of Furnas Centrais Eletricas, said Westinghouse, the U.S. firm that built the nuclear power plant Angra I, will neither repair the electric generator built with faulty parts, nor be asked again to render services of any kind to the nuclear plant. [paragraph continues]

Furnas also decided yesterday to withdraw Westinghouse's name from its list of suppliers. This was done to demonstrate that the possibility of reaching an understanding with the firm no longer exists. Camilo Penna stressed that Westinghouse will no longer service Furnas' equipment.

Camilo Penna has also confirmed that Furnas is considering bids from Brown Boveri, Asea and Siemens -- firms currently represented in Brazil in association with local industries -- to repair the electric generator in about 6 months. The generator short circuited in June. After examining the situation, Furnas' technicians ascertained that the problem was caused by defective parts. Camilo Penna said Furnas continues to discuss the possibility of filing a new lawsuit against Westinghouse in U.S. courts due to the problems in the Angra I electric generator.

Camilo Penna added that Westinghouse will not be invited to bid on the repair of the generator because, besides the litigation over the faulty manufacturing of other components, Westinghouse has been blamed for the breakdown of an Angra I generator. This breakdown is, "without a shadow of a doubt," Westinghouse's fault. Westinghouse told Furnas they were interested in repairing the generator.

Last month, Furnas filed a lawsuit in New York against Westinghouse because design errors were found in a steam generator supplied by the firm. These errors will reduce the guaranteed life of the generator.

The country will have to spend $2.3 billion to finish the construction of the Angra II and Angra III Nuclear Power Plants. A total of $1.7 billion has already been spent on both power plants (construction of Angra III has not started yet). The total cost of the three power plants will then reach $9 billion. According to recent statements by Licinio Seabra, president of Nuclebras [Brazilian Nuclear Corporation, Inc] the country will build two nuclear plants for the price of three, because the average cost of a single nuclear plant is $3 billion.

WORLD BANK TO RELEASE $400 MILLION LOAN

PY101728 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 10 Aug 87

[Text] President Sarney, Finance Minister Bresser Pereira and Housing and Urban Affairs Minister Deni Schwartz today will sign an agreement with the World Bank for the release of $400 million to be used in the modernization of urban public transportation in the country. The program will start this year and is scheduled to end in 1990. Rio de Janeiro, Sao Paulo, Belo Horizonte, Curitiba, Salvador, Recife, Porto Alegre, Belen, and Fortaleza are the nine metropolitan centers that will benefit from the program. These cities have the greatest population density, and logically the greatest demand for better public transportation. The program will create almost 100,000 new jobs.

BRIEFS

PETROBRAS SHOWS RECORD LOSS -- Petrobras Financial Director Orlando Galvao reported to President Jose Sarney on the losses of Petrobras this year. Petrobras had net losses of 33 billion cruzados during the first 6 months of the year, while during the same period last year it showed a profit of 15.2 billion cruzados. This has been the company's greatest loss ever. [Summary] [Rio de Janeiro O GLOBO in Portuguese 31 Jul 87 p 23 PY]

DISSIDENT COLORADO SECTORS UNITE, RELEASE DOCUMENT

PY060211 Asuncion ULTIMA HORA in Spanish 6 Aug 87 p 8

[Text] During a news conference held yesterday at the Agronomist Carlos Romero Pereira's office at 833 Hernandarias Street, the Colorado dissident sectors announced their decision to unite with two specific objectives: the ousting of the regime and the installation of a democracy.

The sectors that decided to unite are the Colorado Popular Movement for Convergence and Unity, the Republican National Association in Resistance and Exile -- ANRER -- the Colorado Party Ethical and Doctrinary Movement, and the Colorado Popular Movement, MOPOCO, whose representatives signed a document that was released on the occasion, in which they explain their objectives and the reasons for their common action.

In one paragraph, the document states: "Now that the Paraguayan people have realized the government is totally unable to build a democratic and pluralistic society in Paraguay, which in turn hinders the socioeconomic, cultural and political development planned by the Colorado Party, large numbers of fellow party members have joined the ranks of those who are dissatisfied because they have found no answer to their concerns and problems in those leaders that will lose all support if they do not abandon the ruling sector and join Coloradism now."

The document adds: "It is, therefore, evident our 100-year-old party is confronted with the tremendous problem of an ideological vacuum and the takeover of its structures, which were so painstakingly built by the different Colorado generations."

It adds that "in addition, the ruling sector is openly trying to perform a definitive takeover of our party in order to perpetuate a dynasty, as was revealed by the takeover of the last convention, which should strongly encourage and urge the struggle the Colorados have been waging against the regime for so long and that, today more than ever, calls for the unity of all of our forces."

The document states that "the unity within the Colorado Party will be feasible, lasting and constructive only if it is based on internal freedom and unrestricted respect for the people's will. On the basis of these principles, the unity of the party will always be a dynamic reality which should never be mistaken for a perfect homegeneity of interests or strict uniformity of opinion. A political party in which the "loyalty" to the "only leader" is compulsory, reveals an undeniably totalitarian organization which has nothing to do with Coloradism."

The document was signed by the following people: on behalf of the Ethical and Doctrinary Movement, Carlos Romero Pereira, Juan E. Villamayor, Juan F, Elizeche, Hugo Barboza O. and Hugo Ramon Lopez; on behalf of the MOPOCO, Miguel Angel Gonzalez Casabianca, Eduardo San Martin, Juan Carlos Galaverna, Anibal Abbate Soley, and Sandino Gil Oporto; on behalf of the ANRER, Albino Moreno Guppy and Juan Arce Servin; on behalf of the MOPOCO for Convergence and Unity, Mario L. Mallorquin, Enrique Riera, Julio G. Vasconcellos, Humberto R. Zarza, and Juan de la Cruz Arrua.

PRESIDENT GARCIA ON BANK NATIONALIZATION BILL

PA102017 Lima Television Peruana in Spanish 0100 GMT 6 Aug 87

[Interview with President Alan Garcia by unidentified reporters; date and place not given -- recorded; broadcast in progress]

[Text] [Garcia] ...I am pleased to see the atmosphere of free speech and democratic debate in which all of that is being conducted. This means we are conducting actions within a democratic and completely free framework.

Second, there are two other points. The matter of content, which is the nationalization of the financial sector, and the issue of procedures. In other words, in what way will the state take control of the banks during the 15, 20, or 30 days of the debate, in the event the nationalization law is approved. There have been several legal objections concerning the second point. One judge said the state should not take control of the banking sector and the other said it should. We have filed an appeal before the higher court. This court will have to make a decision, and the government will abide by the court's ruling, because that is what the Constitution establishes.

Third, I believe there are some arguments expressing the concerns of the affected groups, especially those of four great enterprise groups that own the bank chains. I am not referring to the small banks. I have heard that at the North Regional Bank, which is a small, decentralized bank, there have been protests, as there have been in some southern banks, and in some small Lima banks that recently opened.

The measure deals essentially with the large financial and industrial groups, which represent a sort of economic oligarchy that -- as I have said before -- collected the country's savings and used it to benefit a few enterprises or control some others. This great concentration of power is not compatible with social justice.

Naturally, I have heard numerous arguments. It is said this goes against private property, but that is not true. In Peru there are 1.2 million village or peasant families; 1 million families of workers or laborers; 1.2 million families that are underemployed or unemployed; and 300,000 families that own small shops, small or medium-sized industries, or a business. All of these families are on one side, and on the other side there are four large financial, banking, and industrial groups who are using their great power to persuade and convince, and their contacts to put together a number of arguments according to which the measure affecting them affects all the other Peruvians. And this is not true.

A government that struggles for justice and equality cannot be called totalitarian. However, all this is permissible within democracy and the law and I am glad everyone can give his opinion. Naturally, some people -- and I have seen communiques signed by personalities -- present this matter as if it were the end of the world or as if everything were going to change terribly.

Peru must change. Peru must transform itself. Peru has to be more just. Peru has to be more equal among its citizens. Others say because of this measure there will be no investments or production. This is not true either. What they are actually saying is that if things do not continue the same, we will do everything possible for them to get worse. [as heard] What they are saying is: Do not change anything, Mr President. Let us earn what we can and want and we will not cause problems.

We think the actual, productive investment deserves assistance. What we do not believe in is the high concentration of profitable financial and banking resources. One important thing is evident from the argument I have been hearing. As a democratic government, we have the obligation to listen to arguments. We insist that the oligarchic handling of the major banks must be offset through the nationalization of the financial system. We insist that the people's savings must not be collected to benefit only some major groups and major economic empires.

The time is already past. This is the world of equality and democracy. However, there are some institutions that do not bear these characteristics, and this is true. We are interested, for instance, in decentralization. There are some small regional banks that are not owned by large oligarchic or industrial groups and whose shares of stock are widely distributed.

I believe the Peruvian congress could take the necessary measures to create joint property, and perhaps permit our middle class to have shares in regional banks. However, our financial system should not be an instrument used by powerful economic groups to dominate our economy.

Therefore, from the debate at congress and from what is being said by the people in general -- which I pay special attention to -- I gather that in some cases there are small banks in which middle class sectors have shares. Those are decentralized banks from the northern and central regions. The law could establish regulations to permit the participation of the capital of the middle class, industrialists, and financial groups without them controlling, dominating, and subordinating the Peruvian economy, without those groups becoming great oligarchies that always end up serving only great interests. That is our great goal.

[Reporter] Mr President, in your message on Sunday, you made specific reference to a friend of yours who came a bit before or after your presidential inauguration to express his support for you and for Peru. However, you said you were not addressing him. That friend is the president of a bank directorate and now he is disappointed because of the recent statements and mandates.

[Garcia] Historical processes sometimes entail disappointment. The historical process cannot please everybody. That is regrettable but true. What I said in Trujillo is that the great banking sector, the great banking sector, [repeats himself] the one that groups the great mining, real estate, export, and milling groups is a banking sector that has dominated the national economy to benefit only itself. We are not acting out of hatred or resentment against people. We want to do justice in Peru and avoid great concentrations of capital, which harm Peru becuase they create inequality and engender fringe groups.

However, along with that great banking sector, which is harmful because of its excessive power, there are very small banks, one of which is owned by a person who many years ago brought foreign capital to set up that institution. It is a very small bank, one we could not term an oligarchic bank, but one which of course as soon as the government decides to nationalize the country's banking sector, will be affected. That is regrettable. However the bank's heritage [patrimonio] will not be affected, because according to the law the bank has to be compensated for the expropriation. We do not want to take things away from people; we want to avoid concentrations of power. It is one thing for some people to own textile, mining, milling, or commercial enterprises, but something very different for all those people to get together around a great instrument of power such as a bank, which collects the country's savings to support those enterprises. At that moment the bank becomes a great oligarchic instrument of domination. People should be in charge of their production and enterprises, but we have to prevent those enterprises from grouping together to become a great instrument of political and social domination.

[Reporter] Mr President, the bankers and other personalities who signed a statement published today have two main arguments. One is that it is not advisable for credit to be centered in a single place; the state in this case. The other argument is that nationalization of banks was not included in the APRA [American Popular Revolutionary Alliance] government plan.

[Garcia] There are dozens of countries that have carried out this process. In those countries, private or industrial property and capitalism have fulfilled an advanced role. Therefore, saying it is unadvisable...[changes thought] It can be done but depends on how it is handled, that is, without red tape or bias. What is socially and historically advisable is for banks to be the instrument of small social groups.

As I said earlier, there are 1.2 million village and peasant families; 1.2 million unemployed or underemployed families in the cities: 1 million employed working families; and 300,000 familes that own small- and medium-size businessess. Facing them are four very powerful economic groups that own banks. Therefore, on whose side should the government be to achieve equality and do justice? We hould not be fooled by arguments seeking to make those millions of families feel affected with regards to property they do not own. These arguments are simply aimed at defending some interests.

I have also listened to another argument that has always concerned me. According to the argument the APRA followers are going to run the banks. You will see that will not happen. In addition, in 1990, the Peruvian people through their ballots will decide what other political party should govern Peru. It is this alternation of power that allows us to have a democracy. If this regime had a constitution that enabled it to remain in power 50 or 100 years without consulting the people, it would become a totalitarian regime. I am surprised to see some people — who are not very progressive — saying there is a threat of totalitarianism. They do not know what totalitarianism is.

I ask the men from the poor districts whether they hear the protests of the four large banking groups. I ask housewives, the middle class, professionals, workers, the small- and medium-scale industrialists, and businessmen whether they are affected by this measure. I can tell our homeland's average man — the millions of Peruvian people — they must not play the game the banking groups want us to play. The want us to believe that by affecting the interest of four large groups, we are affecting the interests of all Peruvians.

Of course the banking groups say the new measure will halt investment. What they are saying is: If you take our means of domination away from us, we will not invest. That is a threat. They are telling us: We want things to remain unchanged. We want to continue controlling the situation and being the ones who have more. We want to keep our instruments for making large profits and take the profits out of the country if we need to. That is what they are telling us.

There is a narrow logic, a vicious circle that says: The only way to promote investment is by gaining the trust of those who hold power, by supporting their power, and maintaining injustice. That is no way to rule a country. Let all of Peru hear that we did not attain power to preside over a crisis and curb inflation. We attained power with a will -- shared by half of the Peruvian population -- to realize a transformation. We will carry out this transformation and have already begun to do so.

One step toward that transformation is to prevent the economy from being concentrated in certain groups of people. The second step is to divide our country in regions to increase the people's participation in the government. The third step is to join capital, the state, workers, and producers to plan the country's economy and avoid having one single technician's will devising the government's plan or the plans for national development. The third [number as heard] step is to democratize education and those factors that can make us feel equal. That is what a transformation is all about.

Many people thought APRA would attain power only to safeguard those people's large interests. That is not right. We were elected by the people: the middle class, the needy, people of modest means, and professionals. They all are aware that our measure does not carry negative effects. On the contrary, they know our measure opens the door for equality and justice in Peru. That is what I would tell all Peruvian citizens.

Demands Congress Approve Bill

PY102153 Lima Radioprogramas del Peru Network in Spanish 0000 GMT 10 Aug 87

[Excerpt] President Alan Garcia yesterday spoke at Chimbote's main square and said he will lead the people to demand from congress the immediate approval of the bill nationalizing the banking and financial system. The president also said he will propose the creation of a new district in the southern sector of the city and added that he heads a democratic revolution in the most complete freedom.

[Begin Garcia recording] We can afford to have a democratic revolution. I have submitted a bill that will be approved. It has to be approved. Comrades from congress, the president of the APRA demands you don't delay on the approval of this bill.

Using the same freedoms rich people enjoy, I dare say, here in Chimbote, that I will lead the Peruvian people to demand the immediate approval of the bill. The powerful are winning time. They are using television to buy people's consciences and instill fear in people I though were revolutionaries. They continuously press on the weak side of people in an attempt to maintain their prerogatives. I have come here to explain why we want to nationalize the banking system. We want to decentralize it. We want to make credits available to all, and not only to a small group of large businesses.

We are going to start a revolution within the law...accepting the law. We want the law of nationalization of banks to be able to accomplish our goals. We practice democracy in the broadest sense of the word, and that surprises some people. They wonder how a president can submit a bill and support this avalanche of criticism and insults on television. I do not care because I am only doing what the Peruvian people want.

Standing before you, in this work capital, from this Peruvian revolutionary capital...I promise you we will not take one step back in our struggle for social justice. We have already said what we have to. I have already submitted my bill to congress. I demand congress approve the bill as soon as possible. Those affected by it have submitted different arguments to delay it, but I will lead you... I will lead the people to demand, by any means, the immediate approval of that bill. [end recording] [passage omitted]

Alva Castro Comments on Bill

PA110038 Lima Television Peruana in Spanish 0100 GMT 7 Aug 87

[Text] Dr Luis Alva Castro, president of the Chamber of Deputies, said today the open debates that are taking place concerning state control of banks are beneficial for the country's democracy.

[Begin recording] [Alva Castro] There is one thing I can tell you, and that is that the law will be approved by the congress of the Republic. It will be fully discussed by both legislative chambers. It is definitely possible there may be a [words indistinct] draft. However, I must once again affirm — as the president did yesterday — that there will not be any modifications in the foundation of the bill because the APRA legislative bloc has already made a decision in this regard. What we are doing now is studying all the articles and dispositions so we can issue the best law for our national interests, our social interests.

[Reporter] The president of the Republic yesterday referred to a [words indistinct] proposal to the effect that there private [words indistinct] are represented in the regional banks. Some analysts see this as a political setback or as a concession. Any comments?

[Alva Castro] There is no going backwards. What the president said is that in the banks there are people on salary and there are cases of broad and rational participation and that the corresponding commissions are being studied and analyzed. He expressed a point of view. This does not mean there has been a change in concepts that call for the national finance system being in the hands of the state and managed by the state.

[Reporter] Dr Alva, what can you tell us about the [words indistinct] that declared valid the suit filed by private finance organizations against the government [words indistinct]?

[Alva Castro] We very much respect the decisions of the judicial branch, but I can tell you, and I have said this very clearly to the executive branch, the executive branch has acted in line with the law and the Constitution.

It is evident that while the national Congress was discussing the bill sent to it by the executive branch the banks had to be controlled. It was important to be certain that the banks would not carry out any operation that would defeat the good intentions of the executive branch's bill. The right of the owners are being and will be respected. Once the bill is approved by the national congress, as I am sure it will be, everything will be back to normal and the country will continue progressing and advancing. We are certain this is a plan that serves the collective and national interests, a plan with much solidarity, a plan that will benefit the large national majorities.

We have to realize that the purpose of this bill is to benefit the country and national development and to turn the financial system into a tool for development, a tool that will serve the social interests of all Peruvians. [end recording]

MRTA CLAIMS RESPONSIBILITY FOR PALACE ATTACK

PA080105 Paris AFP in Spanish 2344 GMT 7 Aug 87

[Excerpts] Lima, 7 Aug (AFP) -- Police sources revealed today that the two "Instalassa" rocket-grenades that hit the Government Palace 2 nights ago were fired by the Tupac Amaru Revolutionary Movement (MRTA) from a building located 100 meters from the installations.

One of the rounds, fired at the residential wing of the Pizarro Palace while President Alan Garcia was working in one of the rooms, opened a hole and penetrated the aide-de-camps' rooms. Fortunately those rooms were empty at the time and there were no casualties. The attack was perpetrated at 2245 local time. Likewise, the other round hit one of the windows in the residential wing located at Malecon de Desamparados on the Rimac River, which crosses the Peruvian capital. [passage omitted]

The MRTA claimed responsibility for Wednesday's attack in a communique delivered to the news media. The document stated: "The attack was carried out to pass judgment on the country's current situation, including the government's economic policy and its submissiveness to the transnationals." [passage omitted]

REPORT ON ATTACK AGAINST PRESIDENTIAL ADVISER

PY071441 Lima Canal 9 Television in Spanish 0300 GMT 7 Aug 87

[Text] Three unidentified individuals today tried to attack presidential adviser Daniel Carbonetto. The attempt on Carbonetto's life failed thanks to his bodyguards.

At 1350, two heavily armed individuals wielding submachine guns tried to kill Dr Daniel Carbonetto, a presidential adviser on economic and financial matters. The attack occurred at Carbonetto's house at 755 Colon Street, Miraflores district.

The terrorists overpowered Carbonetto's driver and one of his bodyguards. Carbonetto, aware of the danger, climbed onto the roof of a neighboring house and managed to escape. Meanwhile, other bodyguards fired at the criminals and managed to wound some of them. After a long chase the criminals escaped.

[Begin recording] [Reporter] Can you tell us about the attack against Mr Carbonetto?

[Bodyguard] Right. You know, something? They tried to kill us, brother. However, two of them were wounded. They tried to attack me, but I repelled the attack.

[Reporter] Has it been established what terrorist organization they belong to?

[Bodyguard] They might have been hired killers. I cannot add anything else. [end recording]

Emergency squad personnel of the Civil Guard and investigative policemen searched the streets in Miraflores district and arrested several suspects. We still cannot report what subversive organization perpetrated this attack. Presidential adviser Daniel Carbonetto reportedly sponsored the bill on the nationalization of private banks.

[Begin recording] [Carbonetto] The attack occurred at the front door of my house. My car, in which a driver and my usual bodyguard were sitting, was parked nearby. Two people approached them and pointing guns at the driver, asked where I was. One of the attackers tried to kill the driver but the other stopped him, telling him the driver was not Carbonetto.

The bodyguard surrendered and, of course, gave them his submachine gun. As they were leaving they took my car keys. As they were getting into the car that was waiting for them, the same bodyguard fired another gun from behind the wall of the house and hit one of them. This has been confirmed by a police investigation and by the bodyguard's testimony.

These events occurred in front of my house. Meanwhile, I went to the backyard and observed the events from a neighboring house. Some people, who could not be identified, tried to climb to the roof of my house.

[Reporter] They did not enter the house?

[Carbonetto] That is not clear. It is not clear. At any rate, with the descriptions we have, and the rest, the police officials...

[Reporter, interrupting] How many people were involved in the attack?

[Carbonetto] Two people were involved. We know that. A driver and perhaps two other people drove away in the car. I do not know. [end recording]

3 BOMBS EXPLODE HOURS BEFORE GARCIA ARRIVAL

PY100128 Buenos Aires DYN in Spanish 2156 GMT 9 Aug 87

[Text] Lima, 9 Aug (DYN) -- The police reported today that presumed terrorists last night detonated 3 dynamite bombs in the port of Chimbote, 300 km north of Lima, a few hours before the arrival of President Alan Garcia, who is on a 5-day tour of the area.

Two unidentified people were wounded when the bombs went off at the Credito Bank building, at the Cooperative Credit Central (CCC) building, and in the vicinity of a hotel at which the president was to stay. Following a last-minute decision, the president changed his mind and decided to stay overnight in Casma, the source said.

Meanwhile, five bombs went off last night in Huancayo, Junin, in the central Peruvian region, damaging public and private property. Republican Guard Guerrero Cruz was shot and wounded by a Shining Path commando while trying to prevent the placing of a bomb in a bank.

The bombings caused considerable damage to a CCC office, the Departmental Development Corporation Office, a court, a bank branch, and La Colla hotel in Tambo district.

The police, who reported no terrorist action last week, immediately organized a search to capture the terrorists.

TERRORISTS BOMB U.S. BANK BRANCH IN LIMA

PY081303 Lima RVC Television in Spanish 0320 GMT 8 Aug 87

[Text] At about 2100, a bombing occurred at the intersection of (Moriel) and (Higuereta) Streets. The explosion damaged a Citibank branch office, a mutual aid establishment, a shop called China-andina, and a savings and loan association office. As a result of the explosion, several windows were broken and a car parked nearby was destroyed.

According to eyewitnesses, the bomb was planted a few hours before the explosion because no one was seen at the time of the explosion. It was reported that a woman was taken to a local hospital with serious injuries caused by the explosion. At the time of the explosion, people panicked and screamed. The forces of order appeared on the scene to calm the people and conduct investigations.

At exactly 2230, another bomb went off in the 400 block of (Canta) Street in La Victoria district. The bomb was concealed in a parked Plymouth automobile. The car is owned by a Dr Cartagena, who said he is the lawyer for Judith Galvan and Sybilla Arredondo, the widow of Peruvian writer Jose Maria Arguedas, both of whom are involved in terrorist cases. Police are now inspecting the car.

[Begin recording] [Reporter] Dr Cartagena, we understand this is your car.

[Cartagena] Yes, it is my car.

[Reporter] Did you see anything? Are there any eyewitnesses?

[Cartagena] Absolutely not. I did not see anything. I was participating in a social meeting.

[Reporter] When did you get home?

[Cartagena] I got home about 2 hours ago. This action is a serious attack on the basic right to defend common and political prisoners in the courts of Peru. [end recording]

SANGUINETTI SENDS CONGRATULATORY NOTE TO CEREZO

PY100356 Madrid EFE in Spanish 0242 GMT 10 Aug 87

[Text] Montevideo, 9 Aug (EFE) -- Uruguayan President Julio Maria Sanguinetti today sent a message to his Guatemalan counterpart, Vinicio Cerezo, in which he terms the recent agreement that "represents a fundamental step for a long-standing peace" in Central America "historic." He also promised his government's support for the achievement of the agreement's peaceful objectives.

In his message, Sanguinetti said "the brotherly people of that region have long hoped for and deserved" a path of peace.

The Uruguayan president's message is addressed to the five Central American presidents who reached an agreement. It assures them that "the Uruguayan people join them with pleasure and hope." Sanguinetti added: "My government, which has always made efforts to achieve peace in that area through the Contadora Support Group, will continue supporting through all possible means the achievement of those ambitious objectives now reached at Esquipulas."

In his message, Sanguinetti especially praised Cerezo "for his initiative and patient efforts for reconciliation which have allowed the Central American governments to consolidate this historic agreement."

Uruguay, Argentina, Brazil, and Peru comprise the Contadora Support Group, while the Contadora Group is comprised of Colombia, Mexico, Panama, and Venezuela.

FERREIRA ALDUNATE RETURNS, RECEIVES PARTY LEADERS

PY110151 Montevideo Radio Carve in Spanish 0000 GMT 11 Aug 87

[Text] Wilson Ferreira Aldunate [National Party Leader] received leaders of his party in his house this afternoon. Senators Alberto Zumaran and Guillermo Garcia Costa, and National Party Secretary for Social Matters Miguel Cecilio, paid a visit to wish him a prompt recovery, to discuss the country's situation, and to brief him on what happened during his stay in the United States.

At the end of the meeting, Garcia Costa returned to Congress for a meeting with leaders of the For the Fatherland faction of the National Party.

BRIEFS

DRUG TRAFFICKERS ARRESTED -- Argentina has requested the extradition of three Bolivians who were arrested in Uruguay on their way to Zurich with 39 kg of cocaine. Interpol has reported that their names are Juan Torres Cespedes, 30; Clara Ruiz Perez, 44; and Carmelita Malala Ruiz, 19. They were traveling with forged Ecuadoran passports. [Excerpt] [Montevideo Radio El Espectador Network in Spanish 0930 GMT 31 Jul 87 PY]

MARXISTS AND WORKERS PARTIES TO FORM LEFT FRONT

FL052151 Bridgetown CANA in English 2004 GMT 5 Aug 87

[Text] Georgetown, Guyana, Aug 5, CANA -- The state-owned CHRONICLE newspaper today reported that the Marxist People's Progressive Party (PPP) and the Working Peoples Alliance (WPA) have agreed to form a left front.

The paper quoted a source close to the PPP as saying that the announcement was made by party leader Dr Cheddi Jagan at the Georgetown Country conference of the PPP a week ago. According to the CHRONICLE, Dr Jagan said then that the decision to form a left front did not necessarily mean that the two parties would contest elections on a joint ticket. However the paper said that when it contacted him last evening he declined to comment further.

Both the PPP and the WPA are already members of the so-called Patriotic Coalition for Democracy (PCD), a grouping of opposition parties formed shortly after the 1985 general elections which they claimed were rigged by the ruling Peoples National Congress (PNC).

WPA Considering Proposal

FL101735 Bridgetown CANA in English 1715 GMT 7 Aug 87

[Text] Georgetown, Guyana, Aug 7, CANA -- The Working People's Alliance (WPA) says it is considering a proposal from the main opposition People's Progressive Party (PPP) to form a left-wing front.

The WPA was responding to a report by the state-owned CHRONICLE newspaper which said that PPP leader Dr Cheddi Jagan had told party members that the alliance had been agreed on.

The party said in a statement that the proposal is one of the most recent received by the WPA from other parties for consideration in the search for the best means of helping the people to win back democracy in Guyana.

Some of these proposals are before our central committee and others are to be submitted to it in due course. We cannot anticipate the decision of the central committee except to say that the proposals all have merits of their own.

When the central committee has come to a decision on the proposals it will submit them for consultation within the party, the statement said.

The two parties are already part of the Patriotic Coalition for Democracy (PCD), a grouping of opposition parties formed after the last general election which was marred by allegations of fraud.

In an editorial yesterday, the CHRONICLE said the reported discussions was cause for laughter and suggested that external forces might be behind what it termed this game of folly.

In the editorial headlined "Two Left Feet," the paper said the on-and-off marriage between the PPP and the WPA has been as disastrous as it has been visible. It said the PPP is desperate and that its erring political fortunes and its inability to keep its supporters have forced it to seek some unholy alliances.

It said that within the PCD, the PPP had jumped into bed with some of the most discredited and right-wing organisations and that when it woke up and realised what it had done, its leadership took to abusing the other members of the grouping. It is a sad story of incompatibility and the lack of consummation. But matters got worse. Realising that it cannot endure alone and realising that the PCD links with the shrinking WPA. The CHRONICLE predicted that a leftist alliance between the PPP and the WPA will be short and shattering for it was improbable that PPP leader Dr Cheddi Jagan and WPA co-leader Eusi Kwayana can live in the same house.

HOYTE APPEALS JUDGMENTS IN TWO LIBEL SUITS

FL101854 Bridgetown CANA in English 1745 GMT 7 Aug 87

[Text] Georgetown, Guyana, Aug 7, CANA -- President Desmond Hoyte has instructed his lawyers to appeal against the judgments handed down this week by a high court judge in two libel writs he had filed against the CATHOLIC STANDARD and its editor, Fr Andrew Morrison. The alleged libels were contained in articles published in the July 25, 1982 issue of the STANDARD, official organ of the Roman Catholic Church here.

One was in an article headlined LP Accuses PNC of Tie-Dye Fraud, which the judge found libellous and the other under the headline More To Acquire Overseas Holdings which the judge threw out.

In a statement Hoyte's attorneys said they have advised their client that in respect of the tie-dye case, the damages awarded for the very grave libel were unjustifiably low and based on wrong legal principles. They said they have also advised their client that the judge's decision in the other matter is erroneous in point of law and in the circumstances Hoyte has instructed that they appeal against the judgments and they will be doing so as early as possible. At the time when the articles were published Hoyte, himself a senior counsel, was a vice president in the Guyana Government with responsibilities for economic planning and finance.

Paper Refused Import License

FL101857 Bridgetown CANA in English 2006 GMT 8 Aug 87

[Text] Georgetown, Guyana, Aug 8, CANA -- The government has turned down an application from the CATHOLIC STANDARD for an import licence for newsprint because the newspaper failed to adhere to established procedures, a statement from the Ministry of Trade said today. The Ministry said the application was not granted because the newsprint had already arrived in the country without the import licence having been issued.

The CATHOLIC STANDARD, official organ of the Roman Catholic Church and a critic of the government, had applied for a no-funds licence so that it may import the newsprint which it has received as a gift from overseas. The Trade Ministry stressed that the regulations about which it had reminded the public in statements twice last year stipulate that import licences must be obtained from the ministry prior to finalising arrangements for items to be shipped to Guyana.

This is a requirement in law, the ministry stressed adding that it wished to make it clear that while it has no objection, in principle to the CATHOLIC STANDARD receiving newsprint as a gift the paper must adhere to the proper procedures. In recent times the CATHOLIC STANDARD has imported a printing press as well as newsprint using the no-funds system.